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Trend of old age assistance and its relation to population 65 years of age and over in Montana

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TREND OF OLD AGE ASSISTANCE AND ITS RELATION TO POPULATION 65 YEARS OF AGE AND OVER IN MONTANA

STATE OF MONTANA
DEPARTMENT OF PUBLIC WELFARE
Helena

February, 1938

PLEASE RETURN

Prepared by
DIVISION OF STATISTICS AND RESEARCH
Harold L. Greiner
Director

S U M M A R Y

In August 1937 Montana ranked fourth in the United States and second in Region XI in the proportion of population 65 years of age and over who received Old Age Assistance.

During the same period Region XI, composed of the Rocky Mountain states, was second in the United States in the number of aged persons receiving old age assistance. This is due in part to the Western attitude toward assistance programs. This attitude has developed because of the type of settler and the period of settlement in this region. Another reason that this region is high in the number of persons receiving assistance is the necessity for some type of public assistance to aid these people because of the absence of private organizations to carry on this type of work.

In Montana as in other states, the old age assistance program is based on need rather than a pension system based on right. Control of this program is maintained through a qualified field staff with legal authority to review all grants.

The proportion of persons over 65 years of age receiving old age assistance varies greatly between counties within the state. This is due to the difference in occupational pursuits, such as mining and farming, and to existing economic conditions within the counties which affect these occupational pursuits.

The Old Age Assistance program in Montana has steadily increased since its inception. This growth will continue in many of the counties due to a shift in population from eastern Montana and adjoining states to western Montana. Also there is an accompanying shift from the rural areas to the cities which will cause a decrease in the number of cases in the rural areas and an increase of cases in the cities. Growth will also be evidenced in the mining localities due to a stranded population becoming aged and unable to adapt themselves to other pursuits.

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TREND OF OLD AGE ASSISTANCE AND ITS RELATION TO THE TOTAL POPULATION 65 YEARS OF AGE AND OVER IN MONTANA-

The following analysis of the Montana Old Age Assistance caseload has been made to show the comparison between Montana and the rest of the United States and the comparison between counties as to the proportion of the population over 65 years of age receiving Old Age Assistance. Some questions have been raised concerning this program because: First, Montana ranks fourth in the United States and second in the region in the number of Old Age Assistance recipients per thousand of population over 65 years of age [1] and second, there is a wide variation between counties in the number of aged recipients, compared with the number of aged persons in the counties.

HOW DOES MONTANA COMPARE WITH OTHER STATES?

A comparison of the average number of Old Age Assistance recipients per thousand aged, (65 years of age or over), shows that the Western portion of the United States which includes Regions VIII, IX, X, and XI, leads the rest of the country. Of this area, Region XI, which is comprised of Arizona, Colorado, Idaho, Montana, Utah, and Wyoming is second with an average figure of 286.1 per thousand which is exceeded only by Region X, including New Mexico, Texas, and Louisiana, which has an average figure of 289.6 as shown in Table I.

In studying Region XI we find that Colorado in August, 1937 had 404 old age recipients per thousand aged population; Montana had 355 old age recipients per thousand aged population; Arizona had the lowest ratio of old age recipients with 84 per thousand. The old age program in Arizona was begun in August and this proportion is undoubtedly low since the program has not had time to develop as in the adjoining states.

Of the total population in the United States, 5.4% are 65 years of age or over. The percent of aged in the total population of the states throughout the Rocky Mountains tends to be about the same. The range runs from 3.62% for

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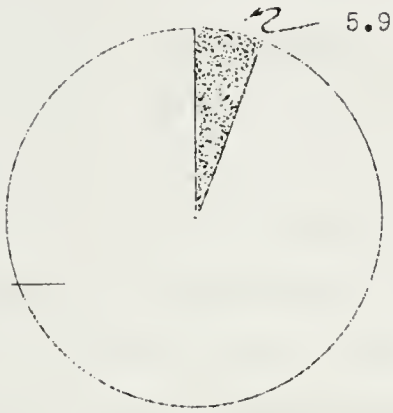
(1) Social Security Board - Public Assistance Monthly Statistics for the U. S., Vol. II, No. 8, August, 1937.

TABLE I. AVERAGE NUMBER OF OLD AGE RECIPIENTS PER THOUSAND AGED BY SOCIAL SECURITY BOARD REGIONS *

Region	States Included	No. OAA Recipients Per 1,000 Aged	Regional Average
REGION I	Maine	42	108.5
	Vermont	126	
	New Hampshire	66	
	Massachusetts	187	
	Rhode Island	110	
	Connecticut	120	
REGION II	New York	128	128
REGION III	Pennsylvania	152	130.6
	New Jersey	99	
	Delaware	141	
REGION IV	Maryland	137	117.7
	District of Columbia	65	
	West Virginia	215	
	Virginia	-	
	North Carolina	54	
REGION V	Ohio	219	222.5
	Kentucky	226	
REGION VI	Wisconsin	170	180.0
	Illinois	228	
	Indiana	142	
REGION VII	Tennessee	24	86.8
	Mississippi	187	
	Alabama	101	
	Georgia	66	
	South Carolina	13	
	Florida	130	
REGION VIII	Minnesota	327	239.2
	North Dakota	196	
	South Dakota	218	
	Nebraska	269	
	Iowa	186	
REGION IX	Kansas	18	262.5
	Missouri	241	
	Oklahoma	584	
	Arkansas	207	
REGION X	New Mexico	176	289.6
	Texas	420	
	Louisiana	273	
REGION XI	Montana	355	286.1
	Arizona	84	
	Colorado	404	
	Idaho	284	
	Utah	304	
	Wyoming	286	
REGION XII	Washington	276	159.2
	Oregon	157	
	Nevada	21	
	California	183	

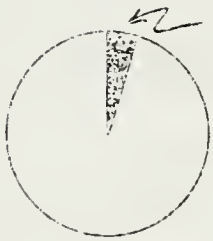
* Simple average of state figures in each Region based on Public Assistance Monthly Statistics for U. S., Vol. II, No. 8, August, 1937.

CHART I. COMPARISON OF PERSONS OVER 65 YEARS OF AGE WITH TOTAL POPULATION BY STATES IN REGION XI *



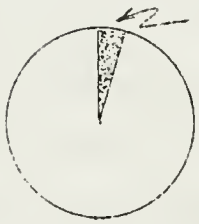
5.96% Aged

COLORADO
Total Population.....1,035,791
Population over 65
years of age.....61,787



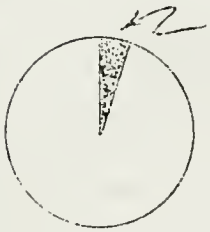
4.96% Aged

MONTANA
Total Population.....537,554
Population over 65
years of age.....26,699



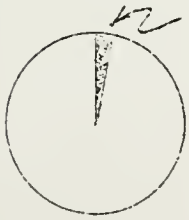
4.46% Aged

UTAH
Total Population.....507,847
Population over 65
years of age.....22,665



5.01% Aged

IDAHO
Total Population.....445,032
Population over 65
years of age.....22,310



3.62% Aged

ARIZONA
Total Population.....435,573
Population over 65
years of age.....15,768

3.86% Aged

WYOMING
Total Population.....225,565
Population over 65
years of age.....8,707

* Compiled from 1930 Census

assistance.

Probably the one largest factor in the attitude of liberalism in dealing with the aged is the Western attitude toward the pioneer. Because this area was more recently settled, the hardships and privations of the pioneer are still remembered and the feeling of obligation for the welfare of the aged is great. This was primarily an agricultural region and with the abundance of land and other natural resources which were obtained easily, one can understand why the theory of "plenty for everyone" developed. This liberal attitude is exemplified by the fact that Montana was the first state in the union to pass legislation for the aged. Montana adopted its first old age pension act in 1923, (Chapter 72, 1923 Session Laws) which provided for the payment of pensions from the county poor funds under the supervision of the county commissioners.

Another factor which will affect any comparison with this type of program between the Eastern and Western states is the attitude of the people toward such a program. The Eastern attitude is that the individual should, during the younger years of life, practice frugality and thrift. In the older communities of the Eastern states secondary group development of mutual aid societies and savings banks operated on a cooperative plan have been developed to encourage weekly savings in small amounts. These attitudes toward frugality, insurance, and mutual benefits have tended to keep down the number requesting assistance. In the West these attitudes have not been developed. Western communities developed too rapidly from a primary group to secondary organization without the accompanying firm establishment of new methods and attitudes.[3] Another reason which may contribute to the large number of persons receiving this assistance in the Western states is the fact

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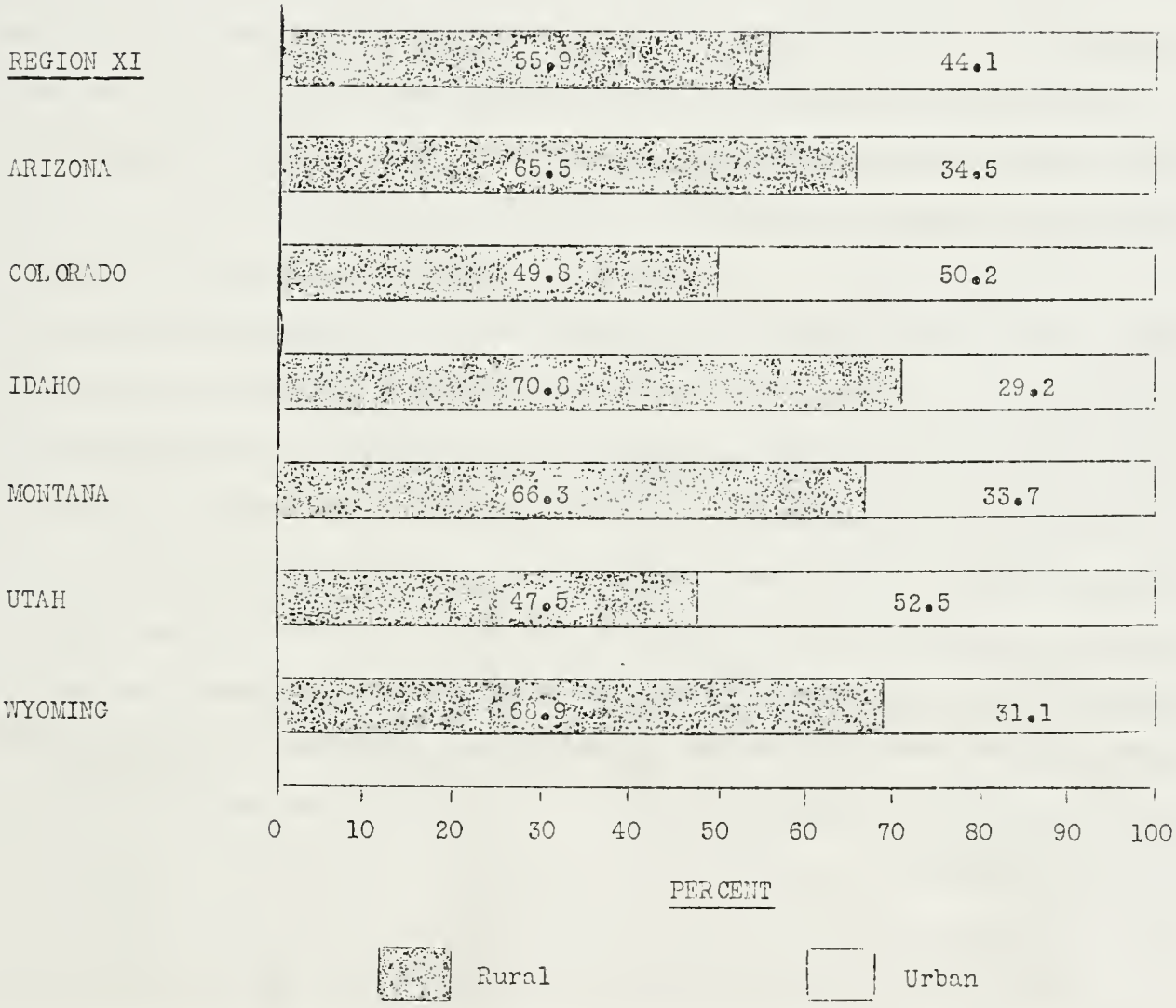
(3) The primary group may be differentiated from the secondary group or organization in that it is based on "face to face" relationships. The individuals have many mutual interests and work as a group for the common good. Each individual has a personal interest in the other individual's welfare. The secondary group is composed of individuals with widely divergent interests who are brought together for one purpose or two purposes only and do not have a personal interest in the other individual's welfare.

CHART II

PER CENT OF POPULATION CLASSIFIED AS RURAL AND URBAN FOR STATES IN REGION XI BY 1930 CENSUS



that these states, because they are more recently settled than the Eastern states, have a smaller proportion of their population who have savings or investments upon which they may depend in their old age. In the regions which have been settled for a greater number of years, farmers have tended to become established, which is not true in the Western states. Many of the early settlers made their "stake" and moved away from this region.

Due to adverse conditions and the great amount of aid from public funds the stigma of "going on relief" is lessening, which accounts for more persons going on the relief rolls throughout the state. In other words, many of those, who were borderline cases and refused to accept relief, have, because of the development of Federal Public Programs, turned to that as a source of aid.

By comparing the average amounts of grants per recipient in the different states one finds that the Eastern and Southern states tend to have lower averages per recipient than do the Western states. For example, Arkansas during the month of August, 1937 paid an average grant of $ 9.09; Mississippi, $ 4.30; Kentucky, $ 9.95; North Carolina, $ 8.83, while the grants in Region XI range from $ 20.77 in Montana to $27.58 in Colorado. Thus the average grant per recipient tends to reflect the lower standard of living in the Southern States.(4) (see Table II).

TABLE II. COMPARISON OF NUMBER OF OLD AGE RECIPIENTS PER ONE THOUSAND AGED AND AVERAGE GRANT PER RECIPIENT FOR STATES IN REGION XI *

State	Number of Old Age Recipients per 1000 Aged	Average per Recipient
ARIZONA	84	$ 24.63
COLORADO	404	27.58
IDAHO	284	22.29
MONTANA	355	20.77
UTAH	304	26.23
WYOMING	286	21.05

* Compiled from Social Security Board, Public Assistance Monthly Statistics in U.S., Vol. II, No. 8, August, 1937.

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(4) Social Security Board - Op. Cit. Page 2.

The standard of living and cost of living throughout this area has always been higher than that in the South.[5]

THE PROGRAM IN MONTANA

Montana's Old Age Assistance Program is based primarily on need. This "need" is evidenced by the results of two special tabulations on old age assistance applications which show that almost one half of these applicants were on relief prior to the old age assistance program. The first tabulation on 9,308 cases who applied for old age assistance between June 1, 1936 and December 31, 1936 develops the fact that 46.8% of the clients received general relief within 30 days prior to their application.[6] The second tabulation covered the period November 1, 1936 through June 30, 1937 for 3,321 applications of which 41.4% received general relief within 30 days preceding application.[7]

Further evidence of need in the population over 65 years of age is shown in the studies of relief rolls of sample counties in Montana. It was found in one study that as high as 81% of the aged were receiving some kind of assistance from the county poor funds prior to the inception of the Old Age Assistance Program.[8]

Prior to the introduction of the old age assistance program under state control, no adequate statistics on the number of aged receiving pensions from the counties were available. These pensions were granted by the County Commissioners and payments were made after a claim had been presented by the Clerk and Recorder to the County Treasurer. No detailed case records were kept and no reports were ever made as to the number of cases handled in this manner. The only reports made were annual reports on expenditures by counties to the State Examiner. Any comparison between the time of inception of the Public Welfare Program and the present time tends to show a very large increase in the number of persons over

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(5) See Change in Cost of Living, U.S.Dept.of Labor, Bureau of Labor Statistics Bulletins.
(6) This tabulation was for a special report for the Montana Old Age Pension Commission.
(7) Annual Statistical Report on Old Age Assistance Program in Montana, (RS-211)
(8) The Relief Problem in Montana, Carl F. Kraenzel and Ruth B. McIntosh, Montana State College Agricultural Exp. Station, Bulletin #343, June, 1937, PP. 42, ff.

65 years eligible for and receiving this type of aid. If adequate figures were available on the former county pensions paid to persons over 65, the percentage increase would be greatly reduced.

At the inauguration of the program it may have been possible that a few persons not actually in need were given assistance as it was impossible to keep constant contact with each case in the counties since it was necessary for the county departments to transcribe all case records of all active cases from the old forms to the new public welfare forms and the fact that these counties were under-staffed at the time of this undertaking. Another factor which hindered constant contact of all cases during this transcription was the scattered and isolated case-load of the rural areas, since the majority of the counties in Montana are classified as rural under the 1930 Census (see Table III). For the past eight months, however, the county departments have been adequately staffed and all county personnel raised to meet the minimum standards requirement adopted by the State Board. This has insured adequate control of active cases.

Since the Old Age Assistance program is an assistance program based on need rather than a pension program based on right, provisions have been made for a quarterly review of the financial situation of each case. Payments are made to recipients only after the cases have been reviewed and approved by the Field Supervisors. To further insure state control of the definition of need, all changes in size of grants must be authorized by the Field Supervisors. Thus the amount of assistance and the number of recipients fluctuate from month to month in accordance with changing situations and financial status of individuals throughout the state, which may be brought about in such ways as seasonal employment, inheritance, sale of property.

The accompanying maps were designed to show the growth of the program in the state during the year October, 1936 to October, 1937. These maps are based on the percent of the 1930 population over 65 years of age who received old age assistance in October, 1936; April, 1937, and October, 1937. Some criticism has been

TABLE III. TOTAL POPULATION, PERSONS OVER 65 YEARS OF AGE AND PERCENT OF POPULATION CLASSIFIED AS RURAL BY COUNTIES FOR 1930

	Counties	Total Population	Persons over 65 years of Age	Percent of Total Population over 65	Percent of Total Population Classified as Rural
1.	Beaverhead	6,654	433	6.5 %	100 %
2.	Big Horn	8,543	407	4.7	100
3.	Blaine	9,006	401	4.4	100
4.	Broadwater	2,738	208	7.5	100
5.	Carbon	12,571	583	4.6	75.9
6.	Carter	4,136	186	4.4	100
7.	Cascade	41,146	1,884	4.5	29.9
8.	Chouteau	8,635	407	4.7	100
9.	Custer	11,242	509	4.5	36.1
10.	Daniels	5,553	121	2.1	100
11.	Dawson	9,881	336	3.4	53.1
12.	Deer Lodge	16,293	997	6.1	23.3
13.	Fallon	4,568	159	3.4	100
14.	Fergus	16,531	862	5.2	67.5
15.	Flathead	19,200	1,252	6.5	53.6
16.	Gallatin	16,124	988	6.1	57.4
17.	Garfield	4,252	170	3.9	100
18.	Glacier	5,297	241	4.5	100
19.	Golden Valley	2,126	110	5.1	100
20.	Granite	3,013	247	8.1	100
21.	Hill	13,775	507	3.6	53.7
22.	Jefferson	4,133	323	7.8	100
23.	Judith Basin	5,238	224	4.2	100
24.	Lake	9,541	554	5.8	100
25.	Lewis & Clark	18,224	1,544	8.4	35.2
26.	Liberty	2,198	98	4.4	100
27.	Lincoln	7,089	387	5.4	100
28.	Madison	6,323	161	2.5	100
29.	McCone	4,790	419	8.7	100
30.	Meagher	2,272	152	6.6	100
31.	Mineral	1,626	104	6.3	100
32.	Missoula	21,782	1,272	5.8	32.7
33.	Musselshell	7,242	299	4.1	64.4
34.	Park	10,922	705	6.4	41.4
35.	Petroleum	2,045	90	4.4	100
36.	Phillips	8,308	339	4.1	100
37.	Pondera	6,964	235	3.3	100
38.	Powder River	3,909	140	3.5	100
39.	Powell	6,202	415	6.6	43.4
40.	Prairie	3,941	153	3.8	100
41.	Ravalli	10,315	811	7.8	100
42.	Richland	9,633	325	3.3	100
43.	Roosevelt	10,672	399	3.7	100
44.	Rosebud	7,347	373	5.0	100
45.	Sanders	5,692	426	7.4	100
46.	Sheridan	9,869	278	2.8	100
47.	Silver Bow	56,969	2,374	4.1	30.6
48.	Stillwater	6,253	301	4.8	100
49.	Sweet Grass	3,944	200	5.0	100
50.	Teton	6,068	269	4.4	100
51.	Toole	6,714	334	3.4	100
52.	Treasure	1,661	72	4.3	100
53.	Valley	11,181	409	3.6	100
54.	Wheatland	3,751	167	4.4	100
55.	Wibaux	2,767	109	3.9	100
56.	Yellowstone	30,785	1,330	4.3	38.4
	Total	537,554	26,699	4.9	66.3

raised because of the large range of these percentages in the state. In October, 1937, the lowest county stood at 22.9% and the highest stood at 91.7%. It must be remembered that in dealing with percentages one is dealing with relative figures. If the county has a small population over 65 years of age it does not take a large caseload to make the percentage seem extremely high when actually only a few cases are being taken care of through this type of assistance.

It may be noted from these maps that the counties tend to group in certain areas on the basis of the proportion of the aged population receiving assistance. This is probably due to more fundamental factors such as type of soil, topography, climatic and cropping conditions found within a locality. The counties in the extreme eastern portion of the state tend to have a higher proportion of old age assistance recipients per aged population than the rest of the counties in the state. This is undoubtedly due to drought conditions which have existed for the past few years in this area. This is a "dry-land" farming area in which the profits coming from the first fertility and virgin soil were used up in the years during which there was little or no return because of drought and depletion of the soil. No savings were left to carry these people.

Other factors that are out-growths of this farming practice which in turn hindered production in this area are 1) over-grazing due to the loss of range land by plowing, and 2) erosion due to the loss of native cover to hold the soil.(9)

The extension of old age assistance to Indians has tended to increase the percentage in all counties which lie within the boundaries of Indian Reservations. For example, in October, 1936, Glacier County had 14.5% and in October, 1937, 58.9%. Big Horn increased from 19.1% in October, 1936 to 25.5% in 1937. Roosevelt County increased from 22.8% to 65.7% during the year studied.

It is also to be noted that the industrial counties of Silver Bow and

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(9) To gain a more complete picture of conditions in this area, see Research Studies of Great Plains Areas, Series V, Bulletins Numbers 1, 2, and 3 of the WPA Division of Social Research, January - May, 1937.

Cascade tend to have the same percentage of their aged population receiving this type of assistance throughout the period studied. In October, 1936, Cascade County had a percentage of 23.6%, Silver Bow, 23.5%. In October, 1937, Cascade had 37.8%, Silver Bow, 37.1%. This indicates a definite relationship between the mines and smelter.

The percentage of increase over the period is also lower in these counties than for the rural sections since the metal market was comparatively high during the period studied. As new miners are not coming into this area because of the lack of growth in the mining industry, it is to be expected that the old age load will increase with the increasing age of the present mining population.

In contrast with the above, Deer Lodge County remains low, due in part to the retirement of smelter employees by the company. Although the smelter does not maintain an absolute pension system for aged employees, some of the "old-timers" have been cared for which has probably tended to keep the number of old age recipients down in that county.

Madison County has a high percentage of old age recipients based on aged population, probably due to the small number of aged persons in that county. Another factor which may affect this percentage was the early mining activities in this locality. This type of employment would tend to leave a large number of single persons stranded in the community.(10) This is probably also applicable to Broadwater County.

Because the percentage of aged in the population is high--8.1%, in Granite County the proportion of these persons under the Old Age Assistance program is low although mining has been an important industry in this county.

Carbon and Musselshell Counties show a rapid growth in the proportion of aged population receiving assistance. With the mechanization of the coal mines in

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(10) The Relief Problem in Montana, Carl F. Kraenzel and Ruth B. McIntosh, Montana State College Exp. Station, Bulletin #343, June, 1937, PP. 38, ff.

these counties and the decrease in the output of these mines since 1929, a large stranded population has developed. This group of miners came into the area as young men in the early 1890's and are now becoming eligible as to age for this assistance program.

If the present contributing factors for need persist, the program will continue to increase in the State as a whole. The copper mining and refining areas will continue to have an increased load unless the demand for this commodity increases. The coal mining counties will suffer because of the lack of employment due to curtailment and mechanization which will tend to leave a large stranded population. All of the urban counties will tend to increase due to the population shift from rural areas to urban areas. Many of these rural counties will tend to have a decrease in caseload due to the abandonment of farms which has accompanied this population shift.

There also has been a population shift from eastern Montana and the adjoining states to western Montana which will have a very definite bearing on any assistance program in Montana. This shift, due primarily to adverse agricultural conditions will continue if no change takes place to alleviate the distress of this area. The additional burden of these people on the western counties will cause changes in the economic program as well as the social program for these counties. With the increase in the number of persons in the western counties the need for revenue will increase while the size of the economic unit will be reduced in order for these people to locate. This will mean these counties will be in greater need for public assistance funds bec use of this shift in population. The eastern counties will in turn suffer due to the loss of revenue by these people moving out of the counties.

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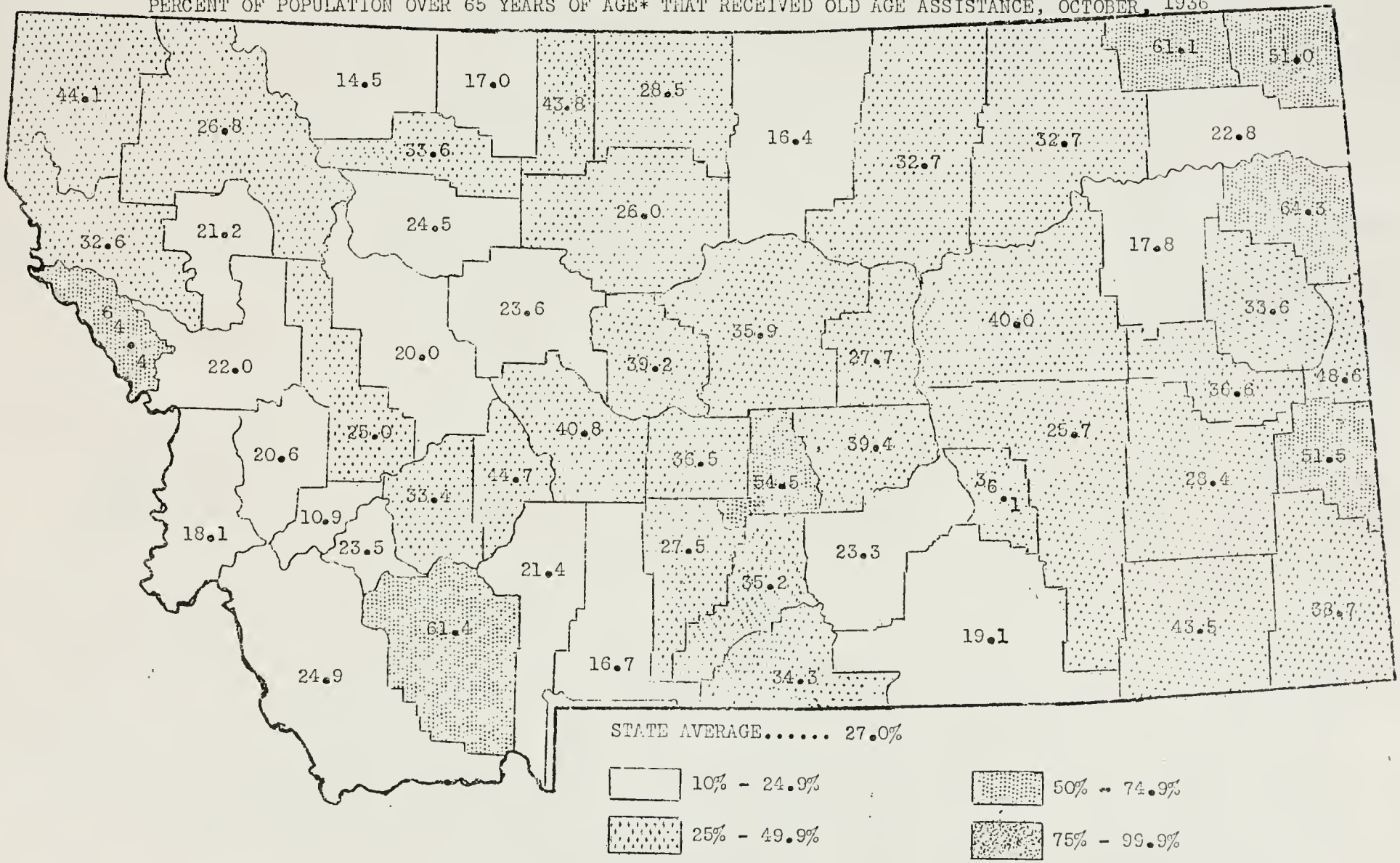
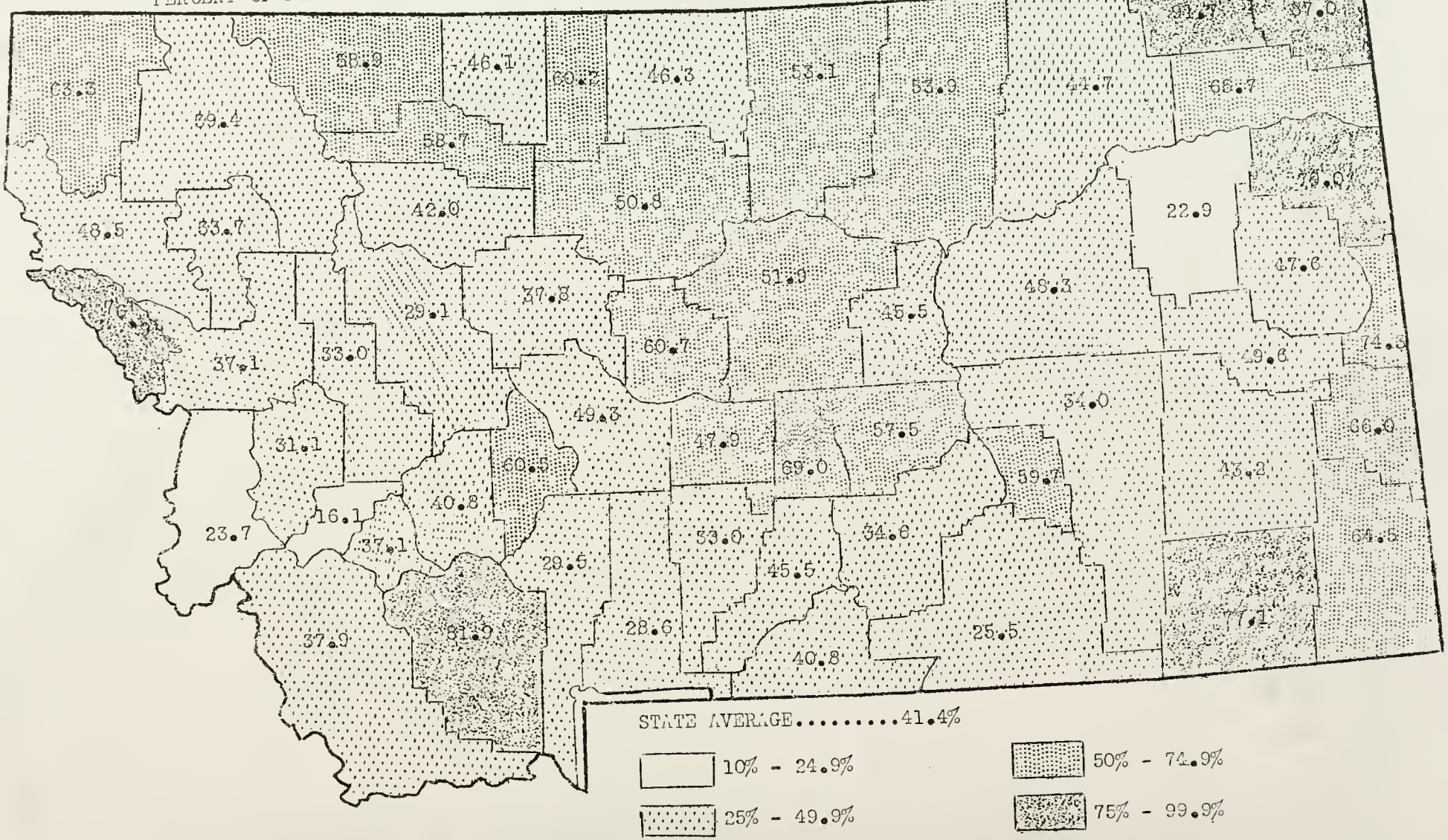
STATE OF MONTANA
DEPARTMENT OF PUBLIC WELFARE
PERCENT OF POPULATION OVER 65 YEARS OF AGE* THAT RECEIVED OLD AGE ASSISTANCE, OCTOBER, 1936



* Based on 1930 Census

STATE OF MONTANA
DEPARTMENT OF PUBLIC WELFARE
PERCENT OF POPULATION OVER 65 YEARS OF AGE* THAT RECEIVED OLD AGE ASSISTANCE FOR OCTOBER, 1937



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